

**FISCAL NOTE**  
**HB 2902 - SB 2909**

March 6, 2006

**SUMMARY OF BILL:** Authorizes TennCare enrollees to receive additional prescription drugs beyond those available under any monthly limit or short list, to the extent that the physician has certified such as medically necessary. The enrollee and the enrollee's physician must petition the Bureau of TennCare to receive the prescription drugs.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$38,130,000**


**Other Fiscal Impact – Increase Federal Expenditures – \$68,290,000**

Assumptions:

- The petition for prescriptions beyond the enrollees' monthly limit will be granted to the extent they are medically necessary which will result in the TennCare drug program providing unlimited coverage.
- Estimated fiscal year 2005-2006 savings for the implementation of the five prescription limit is \$136,205,200.
- Approximately \$29,965,146 of the total expenditures will be provided through drug rebates resulting in an increase of expenditures totaling \$106,240,065.
- The increase to state expenditures will total \$38,039,255 at a rate of 35.805%. The increase to federal expenditures will total \$68,200,810 at a match rate of 64.195%.
- The Bureau of TennCare will need an additional physician to review and evaluate the petitions. The total for salary and benefits would be \$180,000 (\$90,000 in state funds and \$90,000 in federal funds).

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James W. White, Executive Director